



## Missouri Department of Natural Resources Energy Center

### MISSOURI ENERGY BULLETIN

January 20, 2005

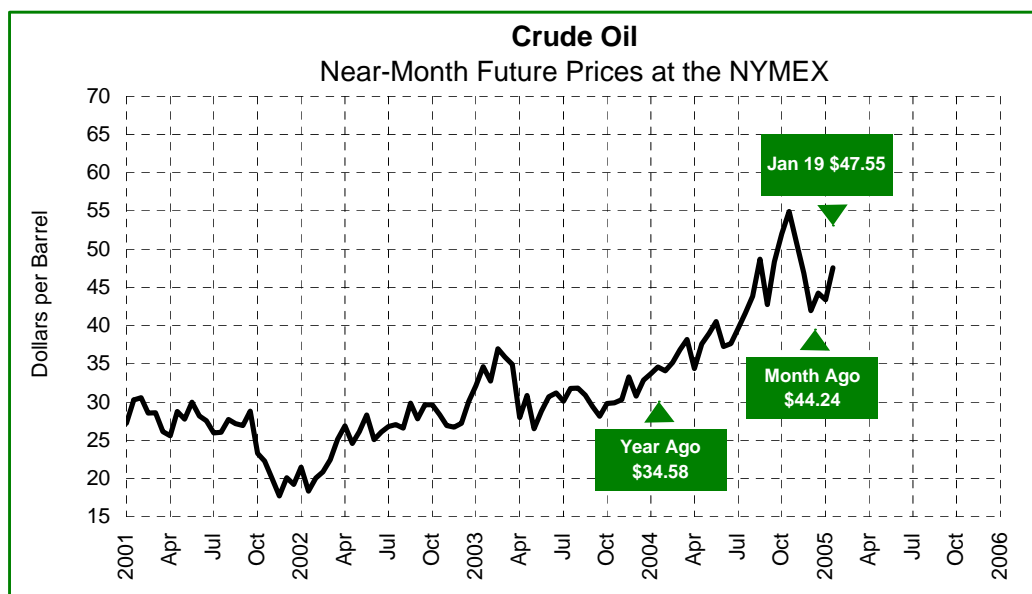
#### Crude Oil

On January 19, NYMEX crude oil futures settled at \$47.55, an increase of over \$4 per barrel since the beginning of the year and \$12.97 higher compared to this time last year.

*Crude Oil - Near Month Future Prices (dollars per barrel)*

	<u>01-19-05</u>	<u>12-22-04</u>	<u>change</u>	<u>01-21-04</u>	<u>change</u>
NYMEX	\$47.55	\$44.24	up 7%	\$34.58	up 38%

- Crude oil prices continue to track within the \$44 to \$48 per barrel price band. On January 19, NYMEX crude oil futures settled at \$47.55, an increase of over \$4 per barrel since the beginning of the year and \$12.97 higher compared to this time last year.
- Higher crude oil prices are being supported by colder temperatures and greater space heating demand. The temporary closing of the Houston Shipping Channel due to fog earlier this month disrupted the delivery of crude oil and motor gasoline to the Gulf Coast region. Higher natural gas prices have also helped to push crude oil prices higher over the last two weeks.
- Although U.S. distillate supplies, including heating oil, grew by 0.8 million barrels for the week ending Jan. 14, 2005, current supplies are nearly 12 million barrels lower compared to this time last year, contributing to higher prices for both crude oil and petroleum products.



- For the week ending Jan. 14, 2005, U.S. commercial crude oil supplies stood at an estimated 292.2 million barrels, well within the 5-year supply range for this time of year. Crude supplies are 27 million barrels higher compared to last year's storage levels, according to EIA.

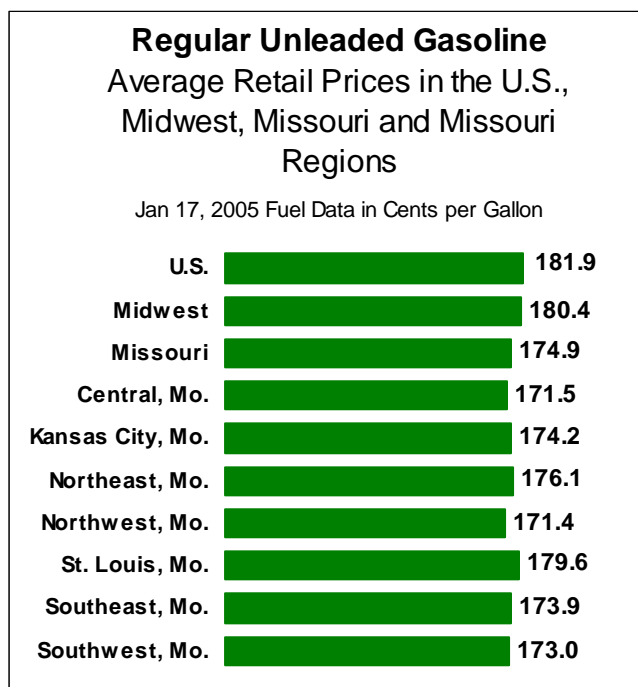
## **Transportation Fuels**

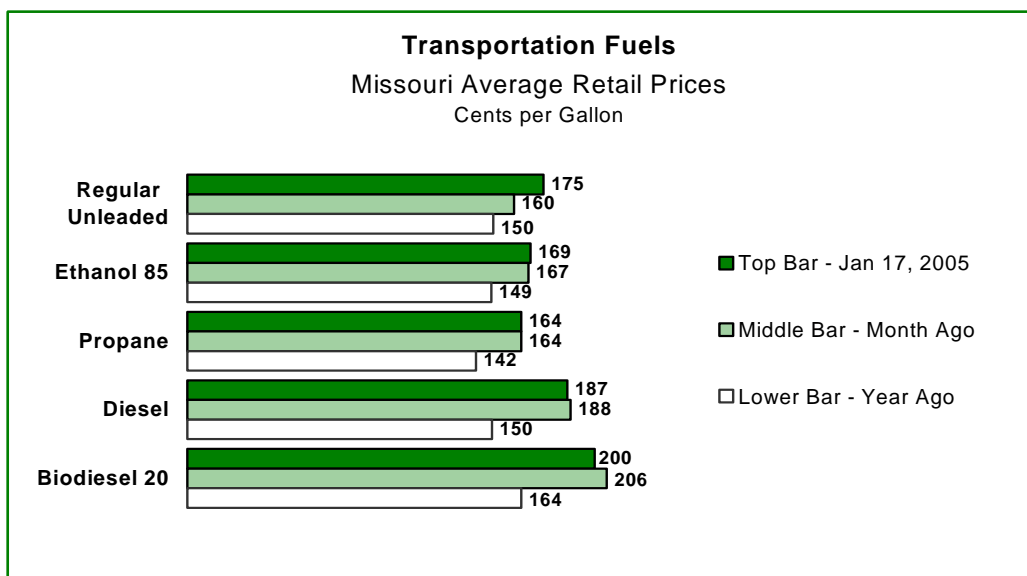
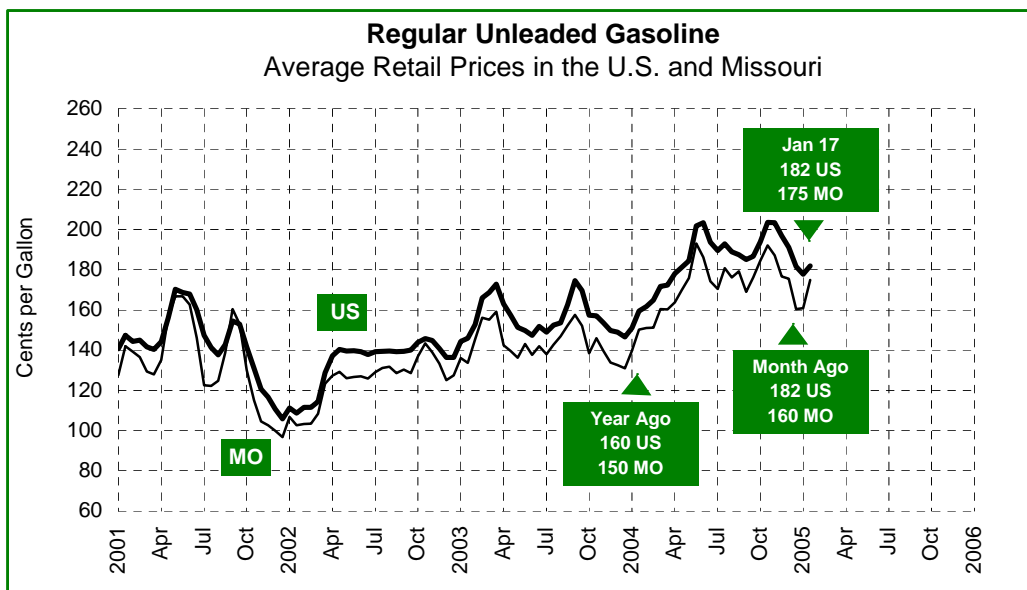
**Missouri's average retail price for regular unleaded gasoline increased 15 cents per gallon from the previous month to reach \$1.75 per gallon on Jan. 17.**

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>01-17-05</u>	<u>12-20-04</u>	<u>change</u>	<u>01-19-04</u>	<u>change</u>
US	182	182	none	160	up 14%
Missouri	175	160	up 9%	150	up 16%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>01-17-05</u>	<u>12-20-04</u>	<u>change</u>	<u>01-19-04</u>	<u>change</u>
Missouri	187	188	down 1%	150	up 25%

- Over the last year, Missouri's average retail gasoline prices have increased 16 percent, climbing from 160 cents per gallon to 182 cents per gallon. During the last month, Missouri retail prices have increased by 15 cents per gallon, or 9 percent, in response to the higher price for motor gasoline at the NYMEX and continued high crude prices. Missouri motor gasoline retail prices peaked at nearly \$2 per gallon on May 17, 2004.





Motor Gasoline - Total Stocks (millions of barrels)					
	01-14-05	12-17-04	change	01-16-04	change
US	217.0	211.4	up 3%	209.5	up 4%

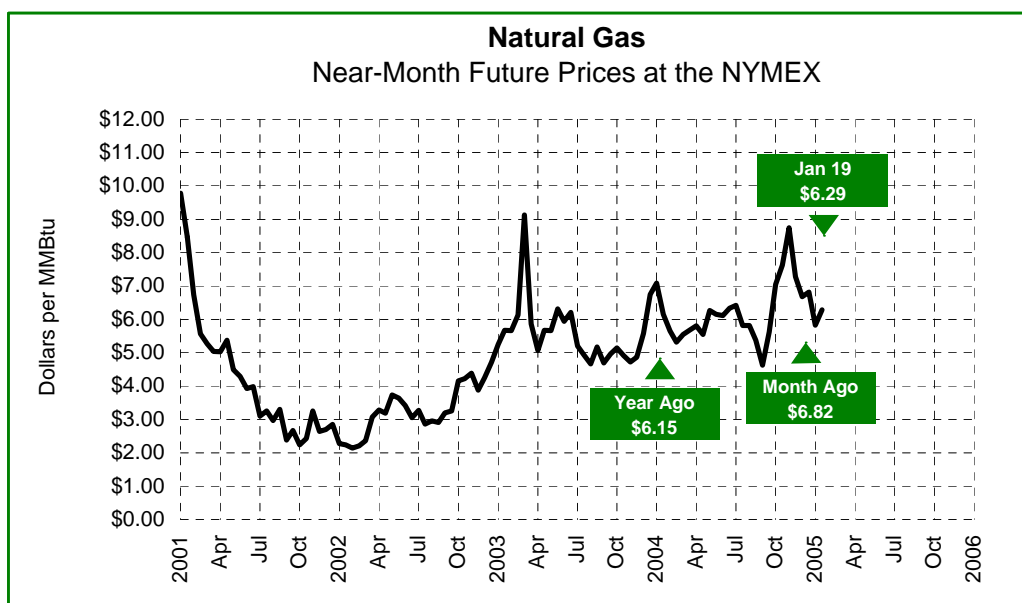
- U.S. gasoline supplies for the week ending Jan. 14 increased by 1.7 million barrels from the previous week, placing them at 217 million barrels, well within the 5-year average for this time of year and 7.5 million barrels higher than last year at this time. U.S. gasoline supplies increased in spite of lower refinery runs and imports. The increase in supply resulted from lower consumer demand. Midwest gasoline supplies increased by 1.8 million barrels, moving from 52.8 million barrels on Jan. 7 to 54.6 million barrels on Jan. 14.
- U.S. gasoline production was estimated at 8.4 million barrels per day as of Jan. 14. Imports contributed an additional 0.6 million barrels per day, unchanged from the previous week.

## Natural Gas

Approximately 56 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

**On Jan. 19, natural gas futures closed at \$6.29 per MMBtu, a decrease of \$0.53 per MMBtu since last month and \$0.14 higher than this time last year, an increase of 2 percent.**

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	01-19-05	12-22-04	change	01-21-04	change
NYMEX	\$6.29	\$6.82	down 8%	\$6.15	up 2%



- Working gas in storage was an estimated 2,610 Bcf as of Friday, January 7, 2005, according to the EIA *Weekly Natural Gas Storage Report*. This level of underground storage inventory is 321 Bcf, or 14 percent, more than the 5-year average for the report week and 152 Bcf, or 6.1 percent, higher than the level last year.
- The implied net withdrawal during the report week was 88 Bcf, which is considerably lower than the 5-year average withdrawal for the week of 165 Bcf. Warmer-than-normal temperatures across much of the Lower 48 States for the week ending January 8 likely contributed to the relatively low net withdrawals of natural gas from storage. As measured by heating degree days for this period, the weather was 19 percent warmer than normal for the United States as a whole, according to the National Weather Service.
- On Jan. 11, EIA increased their projection for Midwest households' average natural gas winter heating bills from an estimated increase of 9.3 percent increase to 9.7 percent compared to last year. This is based on average retail natural gas prices expected to be 10.2 percent higher this winter than last year.

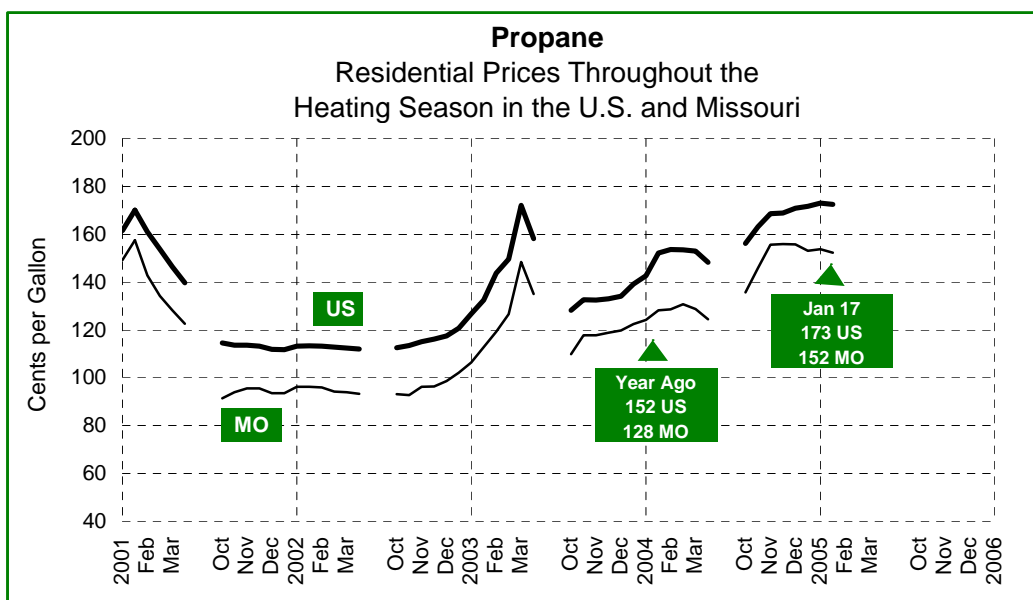
## Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

**Missouri's average retail propane price was \$1.52 per gallon on Jan. 17, down \$0.01 from a month ago but is 19 percent higher than a year ago.**

<i>Propane - Residential Prices (cents per gallon)</i>					
	<u>01-17-05</u>	<u>12-20-04</u>	<u>change</u>	<u>01-19-04</u>	<u>change</u>
Missouri	152	153	down 1%	128	up 19%

- The first sustainable cold wave this winter last week helped to push U.S. inventories of propane lower by 3.4 million barrels, ending the week of January 14, 2005 at an estimated 49 million barrels. At mid month, the accumulative stock draw totaled 6.4 million barrels, a level measuring only about 44 percent of the 5-year average of 14.5 million barrels for January, with inventories continuing to track at the upper boundary of the normal range for this time year.
- Midwest supplies decreased from the previous week, falling 1.2 million barrels to 16.4 million barrels as of Jan. 14. Midwest propane supplies are 2.8 million barrels lower compared to the same period last year. During the last 4 weeks, Midwest supplies of propane have decreased by nearly 4 million barrels due to space-heating demand.
- On Jan. 11, EIA lowered their projection for Midwest households' average propane winter heating bills from an increase of 22.4 percent over last winter to 19.5 percent higher than last year. This is based on a projection of propane prices over the winter heating months averaging more than 20 percent higher than last year at \$1.56 per gallon with an average consumption of 878 gallons.



## Missouri Energy Outlook

The Missouri Energy Outlook, an energy resource analysis reviewing prices and availability of energy in Missouri over the winter months was released in November by the Missouri Department of Natural Resources' Energy Center. Copies of the Missouri Energy Outlook are available online at the department's Web site at <http://www.dnr.mo.gov/energy/publications.htm> or may be obtained by calling the Missouri Department of Natural Resources' Energy Center at (573) 751-3443 or the department toll free at (800) 361-4827.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

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